

## **Tax Season 2020: Information You Need to Partner with Head Start and Early Head Start Families**

Charlyn Harper Browne: Hello everyone, welcome to another webinar in the Building Foundations for Economic Mobility series. We appreciate you taking the time out of your busy schedules to join us today. And thank you for participating in our lobby questions as well. I see that in response to the question, "How do you partner with families on their tax related goals?," we have some similar kinds of methods, that people say that they advise people away from payday loans, which is very good.

You have tax preparers coming in, volunteers to come in to talk to parents. You partner with local VITA organizations, etc., and you utilize all of the free resources that they have. That's great; that's good. I'm the host for today. My name is Charlyn Harper Browne. I'm a senior associate with the Center for the Study of Social Policy and I work ... The Center for the Study of Social Policy is a partner with the National Center on Parent, Family, and Community Engagement. I'm very glad to host this webinar today. Today's conversation will focus on information you need to partner with families this tax season.

We are very excited to hear from representatives from the Internal Revenue Service, and the Wray Head Start program. What we will explore today is information about how to partner with families during the tax season, information about tax credits and deductions, and how to connect parents to free tax preparation, and then online and in-person tools and resources that you can use for this tax season. Since today's topic is all about taxes, we wanted to cover some special guidelines for this particular chat.

We want you to ask questions about tax preparation, tax credits, and tax law. We won't be able to answer questions about specific tax situations that you or some families in your program may be faced with, or how tax law applies to particular situations. But any other questions about tax preparation and credits in the law – tax law, you're welcome to ask. Today's webinar is a part of the National Center's webinar series called Building Foundations for Economic Mobility. We know that economic mobility is a core aspect of family well-being, which certainly is central to the Head Start Parent, Family, and Community Engagement framework.

So, we are excited to explore how tax time can support families' economic goals. We also know that a tax refund can be the largest amount of money a family receives in one lump sum throughout the year. Refunds can be one tool to use when working on other financial goals, such as saving for a deposit on an apartment, or paying down debt, or buying children's winter clothes.

Tax time is also an important time for families to take stock of their own financial goal, and think about saving their refund or taking steps to make sure they don't owe the IRS at the end of the next year. Head Start and Early Head Start families may qualify for free tax preparation services, and we'll discuss that a little bit later. Now I want to turn to a poll that we have.

So, it's your turn to respond to a poll that we'll post in just a second. This poll is about how your program – how is your program planning on engaging families during the tax season – during

the tax season this year. How is your program planning on engaging families during this tax season? Referring families, publishing tax information, referring families to a tax site. Definitely publishing helpful information on tax season is a common response. Say that although you have no formal program, you make referrals for families if they ask. So, that's good. And posting – publishing helpful information on tax season. Thank you.

So, these are all very, very good suggestions, and effective strategies to use with families. Thank you for sharing how you plan on partnering with families this year. Now, to guide our exploration of tax topics, we are thrilled to be joined by Don Dill, who is a senior tax analyst at the IRS.

Don brings a wealth of knowledge on tax topics, as well as knowledge about partnering with organizations to make VITA and TCE sites available in communities throughout the country. Don, thank you so much for taking the time to join us today, and how we'll proceed in this conversation with Don is by a Q&A to Don. So, the first question Don, I'd like you to respond to is, each year Congress passes new laws that impact taxes. Are there any new rules that could be important to Head Start and Early Head Start families this year?

Don Dill: Well first, Charlyn, let me offer my thanks to everybody for joining the call today. I'm so happy to be with you today, and I'm so thrilled, and we have such a large group. And thank you so much for this great information that you've responded on these polls and the ice-breakers, really helps me see who's with us today.

So, thank you, again, for your time. It's such an important time to talk about taxes. I know nobody likes to talk about taxes, but this is our time. This is what like to refer to as tax time. It's probably the most important financial time of the year for many of your families, and their ability to get refunds, and really use them to enhance their financial stability. So, such a timely issue, so I'm really grateful for Head Start, and thank you to everybody I'm partnering with here to put on this presentation, and to invite me. Thank you again, and it's a thrill to be here.

And, you know when we were talking about doing this presentation, and we were talking about new tax law, I always try to think pretty broadly about new tax law, and then lo and behold our friends in Congress think tax law can be passed at any time. This year, they passed new tax law on Dec. 20, which probably is not the most preferable time from an IRS perspective to pass new tax law. But it goes to show us that all of us in this field that are working with families that could use our assistance, need to keep in tune with what's going on because tax law is changing that quickly.

The new law on Dec. 20 extends a couple of things that were – had expired. For those you can see our tax terminology. There's some fairly insignificant things, but some big things about disaster relief. If you live in an area that's been hit by a type of disasters, please look into that. One thing I want to note that really goes into place next year, but I thought as I was looking through some of the information, and one of my favorite parts of tax law, for those who get interested in it, as I do, is how they name some of their bills.

This bill this year was called the Secure Act: Setting Every Community Up for Retirement Enhancement, and I know a lot of your families, the last thing they're thinking about is retirement, but one of the provisions that snuck in there on Dec. 20 for next year and beyond,

is it allows the taxpayer to withdraw up to \$5,000 from their 401K or other retirement plan they have in the year they have a new baby. And they wouldn't be penalized if they haven't reached the age that they need to do to withdraw money.

So, something for you to put in the back of your head if you have families with new children, and have some capability to withdraw some money. It's, as we all know, a very costly time when you're having a child, so very important information. But let me just go to what I've talked about on this slide. There are some big ones that are what I would call carryovers to these tax law. The biggest one up there first relates to the Affordable Care Act, the ACA. And I know many of you have been hearing a lot about that over the years.

But finally this year, the 2019 tax year, individuals are no longer required to have health insurance. If you recall in prior years, if you did not have health insurance, and didn't have an exemption or an exception that followed, you were penalized up to about \$700 for failing to have that. So, that's, you know, from a tax officer's perspective, not being penalized is great. Of course, like you, we always hope folks have health insurance.

There were also some other key adjustments for inflation, which is something that over the last 10 years has become a normal part of tax law. Probably the one most relevant to your families, would be that the standard deduction this year has increased by \$400 – up to \$12,400. And then I just wanted to touch very briefly on two things.

There is a new tax form, it's called the 1040SR for senior. It was mandated to the IRS by Congress that we create this. I just want to let you know that it doesn't have to be a senior uses the form. The form really is the same as any other 1040, it just has a bigger font, and for those with, maybe some sight issues, that might be something that they could use.

Then last but not least, something I probably talked to those who were with us last year, something I try to make sure whenever I'm talking with individuals that work with families over taxes, is to really look at the new W-4. If you recall, the W-4 is a form that you fill out and give to an employer on how much they should withhold. Over the last two years, the withholding tables have changed pretty dramatically.

And so, I always encourage folks and maybe that's something you could remind your Head Start families to maybe take a look at their W-4 that they've filed or maybe haven't re-filed in a number of years. Particularly if they wind up in a situation where they're owing money year over year, which is a very hard thing to do. So, take a look at that when you get a chance on IRS.gov, at the new W-4 is available.

Charlyn: Thank you for all of that great information, Don. This is important, not just for our – the families that we work with, but it's really important for all of us, so I appreciate that. Now, can you tell us what deductions are?

Don: Yeah, that is such a great question. I'm sure many of you hear a lot of talk about deductions and credits, and I thought it was very important that we really talk about the difference. Most of the time when we talk about taxes people are getting different deductions. Maybe you take a deduction for your mortgage interest, or you take a deduction for charitable contributions.

And as you can see on that slide, that means that those deductions are – they reduce what we consider your taxable income. And at the end of you completing your taxes, you come up with a figure called taxable income and then you take a tax rate and you determine how much you owe in taxes. So, as you can see, when you have a tax deduction, it reduces your taxable income.

And then how much that saves you when you do your taxes, really depends on what tax rate you're in. The example I gave on that slide would be if you got a \$1,000 deduction, and you were in a 10% bracket, you'd save \$100, which is great. But I just wanted to make sure ... We'll talk about – later about the difference between a deduction and a credit.

Charlyn: Thanks. So, what are tax credits? What about tax credits?

Don: Yeah, I'm pretty good with this, I set myself up. But the big one is a tax credit, and as you can see on this slide, a tax credit is something we all want, and particularly the families that you work with. These are probably the most important part of the tax return that they will do. As you can see there, a tax credit is a dollar-for-dollar reduction of the tax you owe. And so again, I used an example before where if you had a \$1,000 tax deduction, that's what reduces your rate, maybe that 10%, but if you were to have a \$1,000 tax credit, that would take \$1,000 off your tax bill. Now, that means ...

We would call that a non-refundable credit. But the beauty of what we'll talk about later in this discussion, is there are some ... And what I mean by refundable, it means you have to have \$1,000 of taxes to offset. And some of our families in the Head Start program, and low- to moderate-income jobs, due to other deductions, may not have that much tax that they owe, which is great, but then they lose the benefit of some of that credit. But what we'll talk about later in this presentation is what I like to refer to as refundable credits, meaning that even if you want to go through all the tax you owe, if you have a refundable credit, the IRS will send you money back.

So, a quick example is if you owed \$500 in tax, and you had a refundable tax credit of \$1,000, the first \$500 would offset the tax you owe, and the remaining \$500 would be sent back to the taxpayer as a refund. So, you can see the tremendous value in a refundable tax credit.

Charlyn: Thanks Don. This information is very important to all of us, and it's a lot to absorb, so I just do want to remind everyone that these slides from this webinar, and the recording, will be available on the BFEM section of ECLKC. So, you'll be able to have access to this information, in hard copy or electronic copy in about 30 days. Speaking of tax credits, one tax credit is the Earned Income Tax Credit, or EITC. Can you tell us about the EITC, and what the qualifications are for EITC?

Don: Absolutely, I'd be thrilled to. The Earned Income Tax Credit, I hope most of you on the call today with us have heard of it before, if not, please take the time and we'll talk at the end of this presentation about some great resources. But the Earned Income Tax Credit is generally known as probably the best anti-poverty tool that the government has. Just as an example, in the last tax year, the 2018 tax year for people who filed taxes in 2019, about 25 million eligible taxpayers received the Earned Income Tax Credit, and they received over \$63 billion, and that's billion, "b" with a – as "b."

And that is, obviously, a significant amount of money to be put back into the hands of individuals and families. And so what the Earned Income Tax Credit is, in most broad sense, is a credit, and it's a refundable one, as I've mentioned before. The difference of a non-refundable and refundable, refundables mean that even if the taxpayer doesn't owe any money, or any taxes, if they are eligible for the Earned Income Tax Credit, they will get a refund of that money. And what it is is it is a credit for those who have earned income, and just broadly, what earned income means is the individual receives money from a job, wages, or they own a small business – self-employed small business.

Those are some of the different definitions of earned income. And then generally, although – although the credit is available for taxpayers with no children, we generally talk about it when a family, and of course with you in the Head Start sector, know all too well about families. But those with families, with children, I should say, receive even more credit. And so it is a tremendous credit right now, and just to give you, again, broadly, and we'll talk more places later on about where you can get more detailed information.

But generally, if a taxpayer has income below \$56,000 in the family setting, they may be eligible for an Earned Income Tax Credit of some amount. And then it all the way swings down to, let's say an individual with no children, they would have income somewhere around \$15,000 or below, they might get some Earned Income Tax Credit. But the numbers are staggering in terms of what the potential is, And then like I said, we could spend hours instead of our hour today talking about the Earned Income Tax Credit.

But if you will, for those who are not familiar with it, the Earned Income Tax Credit is sort of a bell curve, if you will, starts low for folks that have zero earned income, or say \$1 of earned income. It peaks around in the \$20 to \$25,000 range, and then declines all the way out to the \$56,000 income range that I mentioned. But here's the big numbers for those of you working with families with one or more children, just to give you just a ballpark of what we're talking about. For a qualifying family that has earned income and a qualifying child, with one child they'd potentially be getting a maximum Earned Income Tax Credit of just over \$3,500.

If they would have two qualifying children, they might be eligible for an Earned Income Tax Credit of just over \$5,800. And then, if family with three or more qualifying children meets the threshold at the right place, their potential credit is in excess of \$6,550. And then last, but not least, for those individuals and again, it may be some of us on the phone who are working with no qualifying children, they still might be eligible to get a credit up to about \$529. So, a wonderful credit that really is, as you know working with the families that you do on a day-to-day basis.

Some of these numbers are really at least – I don't want to say life-changing – but they can make a dramatic impact on the financial stability of the families you work with. And so the thing I leave you with when we talk about Earned Income Tax Credit, if you take nothing else away from this call, know that the most important part about the Earned Income Tax Credit is the taxpayer has to make an affirmative claim for the Earned Income Tax Credit – meaning they must file a tax return. Even if somebody ...

A lot of people will tell ... Probably you hear family members come in or parents who come in and say, "Somebody told me I don't have to file, I don't owe any taxes." Well, there's a fallacy, if you don't file the tax return, you may not ... They may be correct, they don't owe any income tax – any income tax, but if they don't file, they have no ability to claim the Earned Income Tax Credit. I'd love to tell you that the IRS would reach out to them, and say, "Hey, please file, you might be able to go for the Earned Income Tax Credit."

We are here to help, but we probably don't have the capacity to help that much. So, just again, to leave you, filing is most important thing, and historically, we have heard the number usually ranges about 20% of people who are eligible for the Earned Income Tax Credit fail to claim it each year. So, if you get out there with your families, make sure they file. Make sure they learn about the Earned Income Tax Credit.

Charlyn: Thank you so much. That's really important information. Where can programs find information about EITC?

Don: Well, that is a great question, and like I said, we could go on for hours here, but what we wanted to do is put you to some places where there's great information out there, and the IRS, we try to do our best. We've created a place, what we call the EIT Central, it's a website devoted – or pages devoted just to Earned Income Tax Credit.

And not only does the page have information for you as providers, and even for the families themselves, but it also has information that you could use as service providers. It also has educational materials, marketing materials, and communication messages.

As I saw in that first poll, I know a lot of you like to share that kind of information with your families that you serve. So, it has that capability there, so I really recommend that highly to each of you, if you get a chance after this call to go out and look at the Earned Income Tax Credit Central page, and you'll find some wonderful information to share with your families.

Charlyn: Great, and I want to draw everyone's attention to this last bullet about the "Grab & Go" products that include audio files, newsletter articles, news releases, tweets, and banners because I saw several people indicated they post things to families. So, these are printable, Don, for folks to post?

Don: Yes, they are. Absolutely yes. They're printable. You can use them electronically. So, thanks for highlighting that. It's a wonderful place to get all kinds of resources. So, yes, please do visit.

Charlyn: Great, great. So, it's great to have access to so much information about the EITC, but what about the Child Tax Credit, or the CTC?

Don: The CTC. Yes, another wonderful credit that we want to make sure, again, Head Start families, families with children, it's, obviously, a credit very important to them. The Child Tax Credit is another one that is not a fully refundable credit, like the Earned Income Tax Credit, but over the last couple of years, some of the new tax laws has made it so that it is partially refundable, and as you see on that last bullet, up to \$1,400. Again, a very ...

This one is a much more simplistic credit to be eligible for. You just need to have children, generally under the age of 17 that is a dependent of the family member – of the taxpayer.

Again then again, they'll also have to have some earned income. But again, another — another wonderful credit, and to my point about refundable, this credit would be in addition to the Earned Income Tax Credit that we had talked about earlier. So, for those of you who are remembering some of those large numbers that I talked about, \$3,500 and \$5,500, theoretically, in the cases of many of your families, they could be adding this \$1,400 on for additional children.

So, it's a wonderful credit. There's also a smaller credit of \$500 for children who are over the age of 17, but are still a dependent of the taxpayer, of the parents. You know, somebody, you know toward their latter years of high school or even in their early years of college. So, again, another credit that we want to make sure families are aware of, and that they're filing returns and making sure they determine if they are eligible for this one, the Child Tax Credit.

Charlyn: So, did you say that the only, or one of the qualifications, was having dependent children? Or were there other qualifications, taxpayer qualifications?

Don: Yes, that's a great question. There is a requirement to have earned income. I didn't want to get too far down the line, but again, earned income, as we talked on one of the earlier slides. It just means that they had a job, they earned wages, or they owned a business. Again, so most of the taxpayers we're serving fall into those categories, and if they're eligible for the EITC, generally, they should also be available the Child Tax Credit.

Charlyn: OK. Great. Thank you. What is VITA and TCE and how can it help families interested in getting help preparing their taxes?

Don: Yeah, that's such a great question, and very timely question for those of you, again, I know not all of you are tax geeks like I am. Today is actually the official, or I apologize, yesterday was officially the start of the 2020 filing season. The IRS officially was accepting e-filed returns, and so many of our local partners that partner with the IRS around the country in this program that has become known as VITA, which stands for Volunteer Income Tax Assistance, have opened their sites just over the last couple of days to coincide with the ability to e-file.

We want all of our returns e-filed because it expedites dramatically the ability or the timing of when an eligible family gets their credit back, or their refunds, so that's why we wait and start these sites up, until this e-filing is available. I know many of you probably see in your communities other people suggesting to come into their sites earlier but they really couldn't expedite their refund before that.

So, we do have the Volunteer Income Tax Assistance Program. I'm also going to talk to you today about another program, it's what we would call the sister program, the Tax Counseling for the Elderly program, which is also a free tax preparation program that's in about 5,000 sites around the country, and in every state.

Many of you probably think of it as ARP. They run the majority of our tax counseling for the elderly under a program called the ARP Foundation Tax Aid Program. But part of what I wanted to talk to you about today was that although we generally talk about ARP for individuals 50 years and older, these tax counseling for the elderly sites, the sites run by the ARP Foundation

Tax Aid, will serve any taxpayer that walks into their sites, so if one of your Head Start families went to an ARP Tax Aid site, they would get service there.

So, I think sometimes that's overlooked. And oftentimes, I noticed as we were talking through some of the ice-breaker, people were saying I live in a rural community, they don't have any VITA sites. I want to make sure as you leave this platform today, that you go and make sure in your community there's not an ARP Foundation Tax Aid site.

They would be happy to help your families, or see them. And my point, and I can tell from your numbers, that, you know up to ... Early on we saw in the poll, I saw like 42% of you are trying to refer people directly to VITA, and I hope, ARP Tax Aid sites. I was so thankful, and in all I think about 14 of you said you actually run your own sites, and we applaud you and we appreciate your effort in there. But as we've been talking today on some of these points, these are very challenging tax issues. The EITC is complicated.

Other things are equally as complicated. So, and I know you as Head Start service providers, are — are doing such hard work, in such overwhelming demands, and limited resources. And so what I want to do is — there's no need for you to be a tax expert — what you need to do is have this working knowledge, and know where these resources are, and then get your families over there.

And if I could, as you read in my — in my intro, I've been doing this work with VITA and TCE sites for over 20 years. I can tell you from working with partners all across the country, and volunteer organizations, United Ways, community action agencies, churches, senior centers, they would love to partner with your Head Start program in whatever community you are.

All of these site are run by volunteers, over 90,000 of them, want to serve families with children who are eligible for the EITC because they understand how much benefit it would be to them to receive these credits, and not have to pay any tax preparation fees to get that done. So, I really encourage you, if you haven't had a chance in your community, and you know there's a VITA site, I would encourage you to just drive over there one day, and tell them you work with the Head Start program locally, and what could you do to partner better with them. They would be ...

Their arms would be open so wide, you wouldn't believe it. So, please, take a look there on this slide when you get a chance to look at these. There are individual locators on the IRS sites about how you can find. You can type in your zip code; it'll tell you where VITA sites are, and there's a separate one that will tell you where the ARP Tax Aid sites are.

So, again, please take advantage of these opportunities, people are there, they're trained, they're certified, they're going to do accurate returns for your families, and they're going to get them all of the tax credits that they are entitled to, and walk away with the right tax. And I just highly encourage it to each and every one of you to make that effort.

Charlyn: OK. Great. One of the most frustrating things I think that parents — families would experience, is going to one of these sites or going to get assistance, and not having everything that they need so — in order to get the assistance in filing their taxes. So, what information do families need in order to be ready to file taxes at a VITA or TCE site?



Don: And that's a great question because these sites are very busy. I'll have to be candid with you, they serve about – last year we served over 3.5 million taxpayers. As you can imagine, there's a great demand for that. So, when you get to a site or when your families get to a site, they absolutely want to be able to be served that day. At some sites folks may wait hours on end to get service.

So, we have information that you'll have on this site that will tell you exactly what to bring. But the big ones are photo identification. We want to respect tax payers identity, and so we want to make sure that we're talking to the right people. So, I would suggest to you the big three pieces are that they need a photo ID, they need to have social security cards for themselves and for their dependents, and then really the other key part is whatever tax documents they get during the year.

Most notably would be the W-2. For folks that have worked at a job with an employer, they would get what we call a W-2. Others of your families that you serve might receive 1099s, if they are independent contractors or a lot of them are in the gig economy, working for ride-share services, they would also get 1099 on that information. So, you know, those are the key pieces, those first three.

You know, if they would happen to have last year's tax return, there's other information, that would great. But if they walk in with those three key pieces of information, in the great majority of the time they'll be able to serve them, and get their taxes done on the spot, and that's great. And then, I apologize, last but not least, if they have bank information, and we would certainly encourage ...

We hope they do, and if they don't, a lot of our VITA sites really want to work with them and help partner them up with a local community provider to get them a bank account. But we'd love for them to have their bank information with them so that, you know, hoping they're getting the Earned Income Tax Credit, and the Child Tax Credit, they're getting a significant refund. By direct depositing that money, rather than getting a check, really expedites your process.

Probably you're looking at about two weeks to get a refund by direct deposit. Where you're probably looking at about six weeks to get a paper check. And we know with the families that you're serving, time is of the essence, particularly right after the holidays, and in many places high heating utility bills during the winter months. So, again, if they can make sure they have information so they can get that money direct deposited, that's a really big advantage.

Charlyn: Great, great. So, so far we've talked about filing in person, and going to a site to get assistance to file. What are the options for families who may want to complete a return online?

Don: Yes, that's a great question. As I said, our sites, although we have 10,000 of them across the country, they are very busy, and oftentimes it may be challenging to get into them in your community. So, we strongly want to encourage people to take advantage, particularly those who have some capabilities in the technology, that the IRS offers free filing services. It's called the Free File program. You can visit the [IRS.gov](https://www.irs.gov).

Right there we have the complicated address. But also if you go to IRS.gov, right on our front page, one of the top boxes says, "Click here to do your taxes for free," and it will lead you to a page and will tell you, you know, make a selection, and most of the programs we have there, for those who are, you know, not that familiar with taxes, most of the software that are available there are for free. You see the income thresholds that are generally \$66,000. Most of them are what we call interview-based software programs, tax software programs, and it really leads the individual through a series of questions.

Did you have children? Were you married? And so although an individual will probably say, "Oh, no. I don't know anything about taxes, I've never done my taxes." In many cases, particularly those with a fairly straight-forward, and I say that with all due respect, a straight-forward situation. Say you have a wonderful family, it's a mother and father with one child.

The mother and father each had one job they got a W-2 from, and have money withheld. They really could go on there, follow the prompts, answer the questions, and probably within 30 minutes, they would have a completed tax return. Done for free, e-filed, hopefully with a direct deposit have that refund back in their bank account within a couple of weeks.

So, we really do know people love our free services. The face to face, and that is wonderful, but in some communities, again, as I saw in some of the comments on the initial ice-breaker, you don't have any in your community, or you have ones that are overbooked.

We highly recommend this. And even, to be honest with you, it's something if you as a service provider, wanted to set up a terminal in your Head Start office there, and tell people maybe if they want to get on there, and go to free file, and maybe somebody in your office has a little bit of technical skill, or has done their own taxes before, and maybe they can be a resource as people complete the free file process in your office, and the person in your office could be there to answer questions or help guide them if they run into difficulty. So, again, please visit IRS.gov and look for the free file information.

Charlyn: That's great. Don, a lot of questions have come in during your conversation. But I have one last question for you, and that is, what is this form 8-8-8-8?

Don: Yes, that is such a great question. That is a relatively new form that's been with us probably now closing in on 10 years, that's still new to me, But it is a – it is a wonderful form that allows taxpayers to move their tax refund into a series of accounts. For example, if a taxpayer you have – that you're serving a family you're serving, that happens to have a savings account, and want to make sure that they take part of their refund and put it away for that rainy day, for that emergency, and know they would — they would really prefer to get it done before that money comes into their bank account and they see needs.

This form gives them the ability to say, if they have a \$1,000 refund, they can say I want \$900 to go to my checking account, and \$100 to go to my savings account. I know a lot of taxpayers, a lot of individuals, I'd probably put myself in that boat, out of sight, out of mind. If you put it directly into that savings, you didn't know you had it, so to speak, and that probably enhances their ability to maintain savings.

And then there's another thing that we highly recommend, particularly for families with children that are, you know, moving on and upward, potentially into higher education. The form 88-88 also gives individuals the ability to buy United States Savings Bonds. Probably for some of the younger folks on the call they probably might not really have heard about savings bonds, but savings bonds are very safe. Backed ...

A savings program backed by the U.S. government. Right now it provides a little bit of interest, you know, somewhere ... Depends each year it fluctuates. Right now, it's a little over 2%, which is quite a good return on a safe savings product. But where it's interesting for Head Start families, is the taxpayer, the parents, to buy the bond in the name of the child, and then hope that child would save it for years and years. Potentially using it maybe for higher education or something moving on.

So, it's something that's quite a nice ability for those who maybe don't have a savings account that I mentioned at the beginning, another way to really jump start, if you will, savings. So, another form we would really like for you to take a look at after this call.

Charlyn: Great, thank you. Don, thank you so very much for sharing all of this extremely important information. Information that is often very intimidating to people. So, not only do I appreciate what you've shared, but how you've shared it and in such a easy — easily understood and accessible way. So, thank you very much for partnering with us in this effort.

Next, we are excited to be joined by Kris Linman, who is director and education coordinator at Wray Head Start — the Wray Head Start program in Colorado. Thank you, Kris, for taking the time to share your knowledge with us today, and to tell us about what you all are doing at Wray to partner with people during this tax season. So, first, can you tell us a little about your role, first before you get into your practices. A little bit about your role with Wray, and exactly where in Colorado you're located because I find that rather interesting.

Kris Linman: Yes. Hi everybody. I want to welcome you to the webinar and I'm amazed at how many joined in, but I am the director in Wray, Colorado. We're about three-and-a-half hours east of Denver, or where Kansas, Nebraska, and Colorado meet. We're in the Tri-State area, so, if you want to look us up, that's where we are.

We are out on the plains. We have ... Farming is our prominent source of income for our families, so we have a lot of workers, potato farms, corn fields. We have some cattle ranches, but predominantly that's what — the kind of families we draw in. So, my role here, I am the director, ed coordinator, and pretty much anything else that ties in with a bachelor. We are a very small center. I am the only one of my staff that has a bachelor's degree, so I carry a lot hats amongst this program.

Charlyn: OK. Great. Well, it seems like with so many other directors, you do have a lot of responsibilities, so how do all of these different responsibilities impact your approach to parent engagement?

Kris: So, we go off a lot of what the parents want to do. We send out surveys asking them what their interests are. We may give them some ideas, for instance, you know, if they would like some resources or help in healthy planning, how to budget, not only for food, but as a whole

for a month. If they need help getting a GED, or learning a second language. We kind of go off of what they want, and we bring the resources to them.

Charlyn: Great. So, how does this approach pertain to tax time? How do you share tax information with families?

Kris: Yes, sure. So, being from Colorado, They, I have ... There's a company — a foundation that every year, they send us flyers to send out to our families. It comes English on one side, Spanish on the other. It has the information that Don was sharing with us. It has the Earned Income Tax Credit; it gives them an explanation what that is. The Child Tax Credit, Child Independent Care Tax Credit. It talks about where they can go in person, with a web address that they can look up and put in their city, or a number for them to call if they would prefer to do it over the phone.

And we hand these out. We also post the flyers up in the hallway, that way when parents come in they can see it. We also, since we are a small rural town, we have a hub of a community college that comes in that offers classes, and they actually offer free appointments for families to go in and get their taxes done. So, we make sure they get all of that information, and one thing we're going to look at doing next year is having a local accountant come in, either in December or January, to start prepping these families ahead of time.

Charlyn: That's great. That's great. It's really interesting how something as simple, and accessible as a flyer and posting can be an important resource for families. So, I just want to remind everything that while Wray, and many of you, are using flyers and posting information to share tax information with families, don't forget about the free federal resource that Don mentioned, the EITC Central. The online resource that you can also share with families. Kris, how does tax — how does free tax preparation support your families' economic goals? How do you see the relationship between those two things?

Kris: You know, I see it makes it easier for them to obtain their goals. Rather it be being they want to take their kids on a overnight stay, or maybe they want to replace a piece of furniture. Not having that stress of, "Oh, I've got to pay to have my taxes done, I don't have that extra whatever." It's just a burden off of their shoulders.

Charlyn: That's great. That's great. So, relieving stress, making it a little less burdensome. That's great. That's great. So, thank you, Kris. It's always important on our webinars that we have an exemplary program come and talk about how they partner with families during tax season. So, thank you very much for participating in our webinar today.

Kris: Sure, you're welcome.

Charlyn: So, now, we want to just ... Before we go to our question and answer, we want to share some resources with you. The first one on this slide is a repeat of where to find information about free tax return preparation from volunteers, and the second resource is a link to track the status of a refund. We know that this link will become very popular in February and March for those folks who file early, and can help families plan for when money may arrive if they are supposed to get a refund.

So, "Where's My Refund," is an important link as well. Other resources. Don talked about credits and deductions. So, this resource here will enable parents to find out more information

on this, and us as well, about credits and deductions, and the second link – the second link is access to the EITC Assistant. This site is interactive, in that it can help families determine if they qualify for the Earned Income Tax Credit. Some other resources we want to include. If you, or families ... If your families want more trust ...

You or the families that you serve want more trusted information on tax topics, you can access the Interactive Tax Assistant site to research more about multiple topics that you may be interested in. The second bullet ... The next resource listed here is the Taxpayer Advocate Service, or TAS. The TAS is an independent organization within the Internal Revenue Service. The folks at TAS work to help taxpayers resolve problems with the IRS. Advocates who work with the TAS may be able to help you or a family you're working with if they have a tax problem that you haven't been able to resolve on your own.

So, that's also an important resource as well. Now, we want to open it up to questions that you may have for Don or Kris, and some questions, as I mentioned earlier, some questions have actually already come in to you, Don, but if you have questions for Kris as well, please type them in the chat box as well. But, some of the questions that ... One question that I saw while you were talking, Don, is what if parents file separately? That they share custody, and they file separately, can each claim the child — the CTC?

Don: You know, those are - those are great questions, and I know folks want those answers, and I'm going to give you some generic answers. One of the hard parts about doing a call, or questions and answers on taxes, is it's a great cliché, but every tax situation is a facts and circumstance case. So, I cannot answer one situation and you can go back and tell somebody, "Well, the guy from the IRS said you can."

It's all individual facts and circumstances, so. But in general, only one party is going to claim the child, and there's this series of tests over who provided more support, how long they've lived with them, but there is no such thing as you take them for half a year, and I'll take them for half a year.

For tax purposes, that's not it. It's a one or the other, and it depends on those tests, it depends on what might potentially be in a divorce decree. Complicated stuff, and one that our VITA sites would love to help somebody sort through. That's the kind of stuff that they're good at. Those are not the simple situations I was talking about where they could go onto Free File and do their return.

Charlyn: Great, thank you. Kris, a question came to you about the nature of the information that you include in the flyer that you distribute to families.

Kris: Sure, so the website that's listed on the flyer that's going out is myfreetaxes.com, and that is where the parents can look at where they can get free tax services, is on that website, or they can call 211, and just remember this is for Colorado.

Charlyn: OK. We also continue to remind everyone, to go to the EITC Central to get information on just about anything that you might want to share with parents would be at EITC Central. Don, can the EITC be claimed during the year, someone asked, other than during tax filing season?

Don: Yeah. That's a great question. Somebody — whoever has asked that question, has been doing ... Been around the tax game for a number of years. We did use to have a program called the Advanced Earned Income Tax Credit, the AEITC, and people could make that claim, and say, you know, they anticipated they'd be entitled to \$3,000 of Earned Income Tax Credit and get it sort of over the year — over the year in advance. Unfortunately, the uptake was — I don't want to use the word abysmal — but it was so small that the program, unfortunately, is not available anymore. We really tried to promote it; we just could not get takers on it, and so, unfortunately, that is not available anymore.

Charlyn: OK. OK. Someone asked about the income qualification for free tax preparation services. Someone has typed in ... Cathy has typed in a response to that, but do you want to say anything about that, Don, about income?

Don: Yeah. Generally ... Right, particularly for our VITA sites, their income is generally along what I'd use as those thresholds for Earned Income Tax Credits. So, about \$56,000 and below is usually the threshold. I can tell you all of our sites will work with individuals if they're slightly above it. As you can imagine, I think everyone on this call, none of our volunteers want to help people, with moderate or high incomes, so they will do that. But, you know, if a family comes in and there with \$62,000 and three children, I think that'll be fine. But generically, I think \$56,000 and below.

Charlyn: OK. Someone asked if they have income guidelines related to AARP site preparation? Do you know anything about that?

Don: I do — I do know. ARP, particularly in the Tax Counseling for the Elderly site, does not have an income threshold statutorily, and so they often will do returns a little bit higher. But again, I can tell you generically, they don't want to do numbers too much higher than that. They want to serve low- to moderate-income individuals and families.

Just for those of you who are not that familiar, on average in our 3.5 million tax returns, the average adjusted gross income, which would be about how much you earn before deductions, is about \$25,000, so our sites really are focused on low- to moderate-income families and individuals.

Charlyn: OK. Thank you. So, as we are nearing our 4 o'clock hour, I wanted to share a few more — a little bit more information with you, and just as a reminder, to everyone there is a learning community focused on Economic Mobility in the social media site called MyPeers. This is a platform — a social media platform that's specifically for the Head Start and Early Head Start community. So, participants can access information at this site, and exchange ideas with each other in MyPeers.

So, you have to register to join, and the information here, you know, there's a link here to register for an account. It takes two or three days to get an email message. Click the link and create your user profile, and then click the Economic Mobility learning community in order to join and land on that page. So, it will be ... For those of you ... This has information not just about tax, but all of the Economic Mobility, Building Foundations for Economic Mobility information built into there. We also want to tell you about a new service.

This is a free text — free text messaging service called Text4FamilyServices. It's designed for family service — services providers, and is available in both English and Spanish. So, you certainly want to try to sign up for this one, those of you that are family service providers. When you sign up, you get two free text messages per month with information, and links to helpful resources, announcements about events, and professional development opportunities. And access to the latest Parent, Family, and Community Engagement resources as soon as they are released. Also, it's very easy to sign up for this service.

You just text "PFCE" to 22660 to sign up. Text "STOP" to the same code to cancel. Or, "HELP" for technical assistance. It's just that easy to do. So, again, all of this information will be in the slide deck that will be posted in ECLKC. We also want to remind you to check out past BFEM webinars on ECLKC and this is the website for that. These resources are usually posted a month after each webinar. So, we have at least two years' worth of webinars on ECLKC and you can go back and get past ... get access to past webinars. So, this brings us to the end of our formal program today.

Once again, I want to thank Don Dill and Kris Linman for joining us today and sharing some extremely important, and informative information with us. Thank you also to all of our participants who are engaging with us in our conversation today. Good evening, and have a great rest of your day.

Thank you.